

**EXHIBIT D**

**Congress of the United States**  
**Washington, DC 20515**

The Honorable Letitia James  
Office of the Attorney General  
The Capitol  
Albany, NY 12224-0341

Dear Attorney General James,

We write to respectfully request consideration of an investigation into possible Martin Act violations by several New York-based hedge funds during the Title III proceedings under PROMESA, the federal law governing Puerto Rico's debt restructuring process. Puerto Rico has suffered a particularly devastating couple of years with multiple crises. In 2015, then Governor Garcia Padilla declared that the multi-billion-dollar debt was unpayable, triggering the debt restructuring process that has been unfolding for several years, now under the structure created under PROMESA in June 2016. In 2017, Hurricane Maria - the most destructive hurricane in the history of the island - made landfall, claiming the lives of more than three thousand Puerto Ricans. Earlier this year, the island once again faced a deadly natural disaster with several earthquakes wreaking havoc on its southern coast. Finally, Puerto Rico faces the COVID-19 pandemic with crumbling healthcare infrastructure, deep austerity measures, and a particularly vulnerable and aging population. All the while, Wall Street continues to pillage and profit off of Puerto Rico's \$129 billion debt crisis.

Allegations that some hedge fund groups may have been engaging in insider trading and using the PROMESA restructuring process to artificially manipulate bond markets have arisen in the PROMESA Title III litigation involving the restructuring of Puerto Rico's central government bonds. Facts underlying these concerns are laid out in a motion filed by the Committee of Unsecured Creditors asking the court to order disclosures required by the Federal Rule of Bankruptcy Procedure 2019,<sup>1</sup> and in a statement in support of this motion filed by companies insuring bondholders.<sup>2</sup> In response to the motion, Judge Laura Taylor Swain ordered hedge fund groups to release more details about their holdings by July 3, 2020.<sup>3</sup>

<sup>1</sup> "Motion of Official Committee of Unsecured Creditors to Amend Tenth Amended Notice, Case Management and Administrative Procedures Regarding Disclosure Requirements Pursuant to Federal Rule of Bankruptcy Procedure 2019," In re: The Financial Oversight and Management Board for Puerto Rico, United States District Court for the District of Puerto Rico. Case: 17-03283-LTS. Docket Entry No. 11746. Filed on Feb. 25, 2020.

<sup>2</sup> "Cross-Motion and Statement in Support on Behalf of Assured Guaranty Corp., Assured Guaranty Municipal Corp., Ambac Assurance Corporation, and Financial Guaranty Insurance Company with Respect to Motion of the Official Committee of Unsecured Creditors to Amend Tenth Amended Case Management Procedures and Administrative Procedures Regarding Disclosure Requirements Pursuant to Federal Rule of Bankruptcy Procedure 2019," In re: The Financial Oversight and Management Board for Puerto Rico, United States District Court for the District of Puerto Rico. Case: 17-03283-LTS. Docket Entry No. 12216. Filed on Mar. 10, 2020.

<sup>3</sup> "Memorandum Opinion and Order Regarding Motion of Official Committee of Unsecured Creditors to Amend Tenth Amended Notice, Case Management and Administrative Procedures Regarding Disclosure Requirements

At the heart of these pleadings is the concern that by failing to publicly disclose the nature and amount of each economic interest as required by the Federal Rule of Bankruptcy Procedure 2019, various hedge fund groups were engaging in and obfuscating unlawful practices. These include the possibility that hedge funds traded on non-public information while using the PROMESA restructuring process to artificially manipulate bond markets. One of the hedge fund groups Judge Swain ordered to make more detailed disclosures is the “Lawful Constitutional Debt Coalition (“LCDC”). Its members include: Aristea Capital LLC, Whitebox Advisors LLC, Taconic Capital Advisors L.P., and GoldenTree Asset Management.

The July 3<sup>rd</sup> disclosures reveal that members of the LCDC significantly increased their holdings of bonds they argued in court were of no value while engaging in confidential mediation talks about their restructuring.<sup>4</sup> Throughout this time, these bonds increased in value and the restructuring plan revealed at the end of the mediation period increased their return. An investigation is needed to reveal whether some hedge funds may have made these trades with non-public information obtained through the mediation discussions, and without disclosing their true economic interests under Rule 2019.

Since the bonds at issue were governed by New York State law and sold and marketed within the state, this falls squarely within the jurisdiction of the New York Attorney General’s office. Your office has a powerful tool in the Martin Act to investigate possible wrongdoing by these financial actors and ensure the integrity of the municipal bond markets.

In closing, the people of Puerto Rico have been subjected to crippling austerity while hedge funds have profiteered, and continue to do so, off their misery. This is an opportunity to investigate and hold accountable the various financial institutions that have exploited Puerto Rico, which is facing the worst economic depression in its history, one that undoubtedly impacts New Yorkers who have historic, cultural, economic, and community ties to Puerto Rico. We respectfully ask that your office consider initiating an investigation immediately into this potentially illicit conduct and hold accountable those who continue to seek to profit off of poverty.

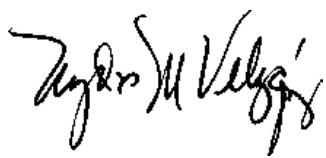
Pursuant to Federal Rule of Bankruptcy Procedure 2019 (Docket Entry No. 11746) and Amended Cross-Motion of Assured Guaranty Corp., Assured Guaranty Municipal Corp., Ambac Assurance Corporation, and Financial Guaranty Insurance Company (Docket Entry No. 12296),” In re: The Financial Oversight and Management Board for Puerto Rico, United States District Court for the District of Puerto Rico. Case: 17-03283-LTS. Docket Entry No. 13217. Entered on May 26, 2020.

<sup>4</sup> “Seventh Supplemental Verified Statement of the Lawful Constitutional Debt Coalition Pursuant to Federal Rule of Bankruptcy Procedure 2019,” In re: The Financial Oversight and Management Board for Puerto Rico, United States District Court for the District of Puerto Rico. Case: 17-03283-LTS. Docket Entry No. 13554. Filed on Jul. 3, 2020.

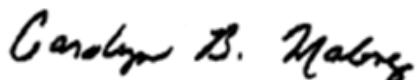
Sincerely,



Alexandria Ocasio-Cortez  
Member of Congress



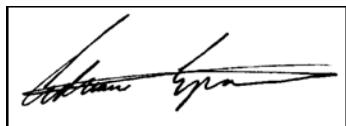
Nydia M. Velázquez  
Member of Congress



Carolyn B. Maloney  
Member of Congress



José E. Serrano  
Member of Congress



Adriano Espaillat  
Member of Congress